1	2
	very heavy in poorly built structures; panels walls thrown out of framed structures; falling of chimney, factory stacks, columns, monuments, and walls; heavy furniture overturned, sand and mud ejected in small amounts; changes in well water; and disturbs persons driving motor cars.
IX	damage considerable in specially designed structures; well designed framed structures thrown out of plumb; very heavy in substantial buildings with partial collapse; buildings shifted off foundations; ground cracked conspicuously; and underground pipes broken.
X	Some well built wooden structures destroyed; most masonry and framed structures with foundations destroyed; ground badly cracked; rails bent; landslides considerable from river banks and steep slopes; shifted sand and mud; and water splashed over banks.
XI	Few, if any, masonry structures remain standing; bridges destroyed; broad fissures in ground, underground pipelines completely out of service; earth slumps and landslips in soft ground; and rails bent greatly.
XII	Total damage; waves seen on ground surfaces; lines of sight and levels distorted; and objects thrown upward into the air.

Private participation in Power Sector

*542. SHRI EKANATH K. THAKUR: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that despite repeated attempts by Government to enthuse the private sector, it accounts for just 11 per cent of the country's total power generation capacity of 1,28,182 MW;

(b) whether it is a fact that as the sale of electricity is not governed by the laws of the market, and the distribution sector is still reeling under losses, the private players are reluctant to invest money; and

(c) if so, the steps Government propose to take to promote the private participation in power sector?

THE MINISTER OF POWER (SHRI SUSHIL KUMAR SHINDE): (a) Out of the total installed capacity of 1,32,329 MW as on 31st March, 2007, the installed capacity in the private sector was 17,112 MW which is 12.9 per cent of the total installed capacity.

(b) The decade of the 1990s saw the gradual deterioration of the financial health of State Electricity Boards (SEBs). As a result, the Independent Power Producers (IPPs) which were required as per the then existing laws to sell their power solely to the host State Electricity Board, found it increasingly difficult to get financial closure in view of poor payment security.

The Government of India has notified the Electricity Act, 2003 which creates a liberal framework for the development of the power sector through a variety of initiatives like unbundling of vertically integrated power utilities, de-licensing generation, allowing open access in transmission, recognizing power trading as a distinct licensed activity, setting up of Regulatory Commissions and requiring the commissions to fix tariffs in a manner so as to ensure financial viability of power utilities, etc.

In order to ensure that the tariff for sale of electricity is determined competitively, the Tariff Policy was notified by the Central Government in January, 2006, which provides that "all future requirement of power should be procured competitively by distribution licensees except in cases of expansion of existing projects or where there is a State controlled/owned company as an identified developer and where regulators will need to resort to tariff determination based on norms provided that expansion of generating capacity by private developers for this purpose would be restricted to one time addition of not more than 50% of the existing capacity. Even for the Public Sector projects, tariff of all new generation and transmission projects should be decided on the basis of competitive bidding after a period of five years or when the Regulatory Commission is satisfied that the situation is ripe to introduce such competition".

Section 63 of the Electricity Act, 2003 provides that "the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government".

The restoration of the financial health of the State Electricity Boards/ State Utilities was recognized as the most critical challenge facing the sector.

In this context, the distribution sector needed urgent attention to reverse the trend of deteriorating financial health of the sector. The reversal was sought to be addressed through a combination of the following key measures:—

(i) control of theft of electricity.

(ii) Reduction in the cost of supply through reduction in technical losses.

(iii) Better management and lowering the cost of generation.

(iv) Payment of user charge and Tariff rationalization.

Further, the Government of India launched the Accelerated Power Development and Reforms Programme (APDRP) in 2002-03 aimed at effecting reduction in distribution losses under which additional central assistance is being provided to the States for taking up various measures for reducing distribution losses. There have been improvements in billing, collection efficiency and the national average Aggregate Technical & Commercial (AT&C) losses of the distribution companies which have reduced from 36.63% in 2002-03 to 34.54% in 2005-06.

Encouraged by the Electricity Act, 2003 and other measures, the Financial Institutions have agreed to consider financial security arrangements other than Government guarantees. They have indicated availability of sufficient funds for good projects with viable tariff sponsored by credible promoters.

(c) In addition to the above sector level initiatives, the Government have taken the following steps to promote private participation in power sector:—

(i) One hundred per cent (100%) Foreign Direct Investment has been permitted on the automatic approval route in respect of projects relating to electricity generation, transmission and distribution (other than nuclear power plants). Recently, power trading has also been included in the above, subject to compliance with the regulations under the Electricity Act, 2003.

(ii) Recognizing that cheaper power can be secured by reaping the benefits of economies of scale through development of large size power projects, the Government has taken an

initiative for facilitating the development of a few Ultra Mega Power Projects of about 4000 MW capacity each under the tariff based competitive bidding route using cost effective super critical technology.

(iii) The Government of India has been assisting wherever required, to resolve issues coming in the way of implementation of IPPs, including setting up of an Inter-Institutional Group (IIG) comprising of senior representatives from the Financial Institutions and Ministry of Power to facilitate early financial closure of power projects.

Encouraged by the enabling legislative framework and the above initiatives, 16 private sector power projects aggregating to capacity of 7320 MW have achieved financial closure over last two years and have commenced construction.

Reconstitution of State Electricity Boards

†*543. SHRI AJAY MAROO: Will the Minister of POWER be pleased to state:

(a) the number of States where Electricity Boards have been constituted separately for generation, transmission and distribution of electricity under the Electricity Act, 2003;

(b) which States have not constituted separate Boards;

(c) the reasons stated by the States for non-constitution of the Boards; and

(d) the action taken against the States which have not constituted their Boards?

THE MINISTER OF POWER (SHRI SUSHIL KUMAR SHINDE): (a) to (c) Prior to the enactment of the Electricity Act, 2003, some States had enacted State Electricity Reform Acts, providing for reforms in their power sector. The Electricity Act, 2003 also has provisions for reorganization of the State Electricity Boards (SEBs).

The State Governments of Assam, Maharashtra and West Bengal have reorganized their SEBs under the provisions of the Electricity Act, 2003.

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†Original notice of the question was received in Hindi.